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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/697,009	10/25/2000	Bruce L. Davis	60319	4530

23735 7590 09/16/2009

DIGIMARC CORPORATION
9405 SW GEMINI DRIVE
BEAVERTON, OR 97008

EXAMINER

ART UNIT	PAPER NUMBER
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DATE MAILED: 09/16/2009

Please find below and/or attached an Office communication concerning this application or proceeding.



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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/697,009
Filing Date: October 25, 2000
Appellant(s): DAVIS ET AL.

Steven W. Stewart
For Appellant

EXAMINER'S ANSWER

This is in response to the Reply Brief, filed on July 17, 2006, and to the communication, filed on October 19, 2007.

Response to Appellants Arguments

The following constitutes a response to Appellant's Reply Brief, filed on July 17, 2006, and to the communication, filed on October 19, 2007.

MPEP 1207.05(1), 37 CFR 41.43

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37 CFR 41.43. Examiner's response to reply brief.

(a)

(1) After receipt of a reply brief in compliance with § 41.41, the primary examiner must acknowledge receipt and entry of the reply brief. In addition, the primary examiner may withdraw the final rejection and reopen prosecution or may furnish a supplemental examiner's answer responding to any new issue raised in the reply brief.

(2) A supplemental examiner's answer responding to a reply brief may not include a new ground of rejection.

(b) If a supplemental Examiner's answer is furnished by the Examiner, appellant may file another reply brief under § 41.41 to any supplemental Examiner's answer within two months from the date of the supplemental examiner's answer.

Appellant submits that the Examiner's Answer twice suggests that

[A] Watermark is a mark, which is difficult to reproduce and it is laid over some other existing information for the purpose of identification and authenticity of the underlying information (e.g., visible watermark on US currency).

And then in summarizing this Official Notice the Examiner's Answer suggests:

[T]he 'Official Notice' recites that watermark is placed on US currency such as a dollar bill, which is well known and capable of instant and unquestionable demonstration. Here, the dollar bill is evidence or the proof to support the "Official Notice"

The summary of the Official Notice, continues the Appellant, uses the term "digital watermark" (page 15) while the actual discussion of the Official Notice uses the term "visible watermark" (pages 8 and 12- 13).

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“We think, continues the Appellant, that the Examiner's Answer intended to use the term "visible watermark" in the summary (page 15) based on the earlier sections (pages 8 and 12-13)”.

First, in reply, the Examiner agrees with the Appellant that **the Examiner's Answer intended to use the term "visible watermark" instead of “digital watermark”, which was inadvertently reported.**

Second, the Examiner still maintains (under the Official Notice) **that watermarking an object, such as the US dollar bill, by placing a visible mark, difficult to be reproduced, on the object is well known in the art. This evidence is easily identifiable (i.e. US dollar bill) and thus, no “documentary” or “written” evidence is herein required in support of the above assertion.** Further, the Applicant, as per his own admission, recognizes that **watermark technology is known in the art (specification page 1: 29-31).**

Third, in addition, as recited in at least independent claim 2, it is unclear whether the reader at the first location reads the digital watermark on the object or another indicium. In fact, it can be assumed, from the second limitation of the claim that the reader does not read the watermark on the object since the limitation simply reads “presenting the object to a reader device at a second location, and triggering a second different response.”Broadly interpreted, it appears that the reader reads some other indicium on the object, but not the digital watermark. And the Examiner does not know the nature of such potential indicium. Further, as far as the watermark is concerned, only a (digital) watermark reader can read or decode the digital watermark printed on the object and the claims do recite a (digital) watermark reader. At best,

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the “reader device” mentioned in the claims represents a conventional reader device, incapable of reading a digital watermark printed on an object.

Fourth, more importantly, although the specification, as originally filed, talks about “presenting a digitally watermarked object to a first and second reader devices at a first and second locations and obtaining a first response and a second different response respectively (see original claim 2), however, it appears that the rest of the specification does not contain any details regarding placing a digitally watermarked on an object as featured in claim 2. In fact, the specification seems to support the contrary, i.e. two marks or watermarks (instead of a single watermark as claimed) printed on an object are read by two different systems and provide or produce two different results or outputs (see page 4 and lines 17-25 of the original Application). That portion of the original specification was deleted. In general, the specification focuses more on encoding an object with digital data, which are later sensed or read by a reader.

Fifth, except for the **digital watermark** printed on an object, such as a (credit) card, Lemon teaches a credit card, having a mark or a magnetic strip printed thereon, which functions in an analogous manner as recited in claim. Indeed, Lemon implicitly or explicitly teaches presenting by a user an object such as a credit card, having a mark or a magnetic strip printed thereon, to a first reader at a first store dispenser and displaying or outputting on the first dispenser screen a first response or a coupon on a product available at the first store (or the coupon is redeemable on a product available for purchase at the first store) and presenting by the user the object or credit card to a second reader at a second store dispenser and displaying or outputting on the second dispenser screen a second (different) response, i.e. the absence or the presence of a coupon available at the second store (Col. 5: 45 to col. 6:10; col. 10: 17-61; col.

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19: 51 to col. 20: 5; col. 29: 66 to col. 30: 20).

In short, although the Appellant had failed to point out the deficiencies in the “Official Notice” or more particularly that “watermarking” is well known, but “digitally or electronically watermarking” is not, however, the Examiner agrees that “watermarking an object or document to ensure their authenticity to thereby identify any copies of the object or document is old and well known in the art” instead of “electronically or digitally watermarking an object or document to ensure their authenticity to thereby identify any copies of the object or document is old and well known in the art”, as the Appellant seems to suggest. Furthermore, Appellant admitted on page 1, lines 30 and 31, of the specification that “A great variety of particular watermarking techniques are known to artisans in the field”. That variety of watermarking techniques could very well include a process for electronically or digitally watermarking an object. Finally, contrary to the Appellant’s contention, it appears that the specification does not show, especially since there is no drawing, how a digital watermark encoded on a coffee cup, for example, is read by a reader since it seems that the Appellant treats the digital watermark as an invisible (imperceptible) mark. In other words, it appears that the digital watermark is not immediately printed or visible on the coffee cup. Thus, it is not understood how the reader will sense the digital watermark on the coffee cup.

Thus, given the above, an ordinary skilled artisan would have been motivated at the time of the invention to incorporate the aforementioned disclosure (“Official Notice”) into the coupon distribution system of Lemon so as to place a mark or watermark on the credit card or to watermark the magnetic strip on the credit card to thereby add an extra layer of security or protection to the coupon distribution and redemption system by eliminating the possibility that a malicious customer might duplicate a credit card (making credit card copies), having a magnetic strip, and attempt to access a terminal T at a participating location to print one or more coupons

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associated using the credit card account for the watermark, printed on the credit card, cannot be reproduced by the photocopy, while providing full control over the distribution and redemption of the coupons to the manufacturer who cannot be duped by unscrupulous customers using phony and unregistered credit cards, as identification means, to access the system (i.e. credit cards without a watermark).

Therefore, the Applicant's request for allowance or withdrawal of the last Office Action has been fully considered and respectfully denied in view of the foregoing response since the Appellant's arguments as herein presented are not convincing.

Conclusion

Any inquiry concerning this communication from the Examiner should be directed to Jean D. Janvier, whose telephone number is (571) 272-6719. The aforementioned can normally be reached Monday-Thursday from 10:00AM to 6:00 PM EST. If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's Supervisor, Mr. Robert Weinhardt, can be reached at (571) 272- 6633.

Non-Official- 571-273-6719.

Official Draft : 571-273-8300

09/13/09

/J. J/

/Jean Janvier/

Primary Examiner, Art Unit 3688